

HEALTH PLAN TASK FORCE

Thursday, September 2, 1999

10:00AM-11:30AM

433 Johnston Hall

In these minutes: Draft of Report to the Regents; Report to the FCC; Beyond the RFP; Future Agenda Item

Minutes

Present: Dick McGehee, Robert Fahnhorst, Priscilla Pope, Gavin Watt, Linda Aaker, Amos Deinard, Larry Thompson, Keith Dunder, Robert Sonkowsky

Absent: Avner Ben-Ner, Richard Butler, Harlan Smith

These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes reflect the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

The Health Plan Task Force met at 10:00AM on Thursday, September 2, 1999 in 433 Johnston Hall on the East Bank of the University of Minnesota.

Draft of Report to the Regents

Professor Dick McGehee, Chair, announced that he and Vice President Carol Carrier, Human Resources, and Acting Director Bob Fahnhorst, Employee Benefits, will present a report to the Regents at their meeting on September 9, 1999 titled, "Faculty/Staff Health Insurance Issues" for discussion; he distributed a draft of that report to task force member for their review. The report summarizes the following topics:

- Key issues of the report include: rising cost of premiums, efforts to control costs, lack of important features, and plan to study alternatives.
- Background information on participation with the state, decision-making at the state level, and medical plans available through SEGIP.
- Changes for the 200 insurance plan include an increase in the premium rates, the loss of Medica Primary medical plan, and the fact that all medical plans next year will be self-insured.
- Communication with University employees includes U and Your Benefits newsletter, briefing for the Health Plan Task Force, and development of open enrollment materials.
- What is being done to control costs and explore other alternatives? The report discussed a major study to review other options that could be available under SEGIP.

- Other key issues: access to university providers, improved out-of-area coverage, non-managed care option, improved access and coverage of mental health and chemical dependency problems, requirement to participate in SEGIP, coverage of domestic partners, and early retirees.
- Two year progress report and scorecard which indicates that 1998 issues involving University providers and sabbaticals have improved, that non-managed care, mental health, opt-out, domestic partners, and early retirees issues have remained the same, and that the cost has worsened for the year 2000.
- Future plans: a careful and systematic analysis of alternatives to the state health care coverage program that offer favorable health care coverage at affordable levels. The task force will continue to investigate alternative to its current arrangement of participating with the state of MN. It will also expand and be provided with an employee benefits consultant to assist the continuing and accelerated study of the feasibility of separating the faculty and staff employee benefits program from the state.

Professor McGehee announced that he and VP Carrier and Mr. Fahnhorst will present the report to the Regents at 2PM on Thursday, September 9 and encouraged task force members to attend as well. He added that he will also inform the Regents and others about the fact that although benefits for early retirees are improving, issues related to late retirees are not yet resolved.

Report to FCC

Professor McGehee informed task force members that he will be providing an update of the Health Plan Task Force activities for the Faculty Consultative Committee (FCC) later today. He distributed an outline of his presentation, which included an update on the background of the appointment of the task force, recent developments of the state, a two-year activity report/scorecard, and Health Plan Task Force activities for 1999-00.

Beyond the RFP (Request for Proposals)

A draft copy of the RFP report was distributed to task force members by e-mail prior to the meeting with a request for comments; suggestions were incorporated into the draft and it was finalized and sent to the printers. Bob Fahnhorst announced that the RFPs will be sent out to consulting firms on Friday, September 3 with a deadline for submission of proposals by 3PM on Friday, October 15. The business office will then go through the initial screening process and a subcommittee of the Health Plan Task Force, and others, will review the remaining files and determine the makeup of a short list of candidates. The interviewing process will take place on October 28 and 29, and the subcommittee will select the finalist.

Individuals proposed for the subcommittee include Roger Feldman, Lisa Gentler, and Bob Connors. Volunteers from the Health Plan Task Force are Dick McGehee, Amos Deinard, Linda Aaker, Gavin Watt, and Priscilla Pope. Professor McGehee will also soliciting volunteers for the subcommittee by e-mail following the meeting.

Mr. Fahnhorst noted that the consultant that drafted the RFP report will also be assisting the University during the interviewing process. One member suggested that the University request more than 4 copies of the proposal since several individuals will need to review them.

The tentative timeline for the process is as follows:

- October 15, 1999 -- deadline for the submission of proposals
- October 18-22, 1999 -- subcommittee to review proposals
- October 28-29, 1999 -- interviewing process

Future Agenda Item

Professor McGehee announced that he would like the Health Plan Task Force to begin discussions about how the University would function if it decided to separate from the state. For example, the task force should consider the development of an ongoing mechanism for decision-making from year to year? A brainstorming session to begin a discussion of these issues will take place at the next task force meeting on September 16. In addition, Linda Aaker will compile some of the information she has gathered about what other universities are doing in this area.

The meeting adjourned at 11:30 am.